

A U S T I N C I T Y C O U N C I L
AGENDA



Thursday, April 27, 2006

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**Purchasing Service Agreement
RECOMMENDATION FOR COUNCIL
ACTION**

ITEM NO: 21

Subject: Authorize negotiation and execution of Amendment No. 4 to the contract with KPMG, LLP, Austin, TX, for auditing services to increase the three remaining extension options in an amount not to exceed \$79,511 for the first option; \$96,293 for the second option; and \$114,085 for the third option, for a revised total contract amount not to exceed \$2,848,736.

Amount and Source of Funding: Funding in the amount of \$79,511 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Financial and Administrative Services Department. Funding for the second and third extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information:

Prior Council Action: 6/12/03 Council approved original contract and extension options.

Boards and Commission Action:

MBE/WBE: This contract was awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). 50% MBE and 0% WBE Subconsulting participation.

Additional Backup Material

(click to open)

**[KPMG AMEND 4
CONTRACT SUMMARY](#)**

In June of 2003, City Council approved the execution of a 24-month service agreement with three twelve-month extension options for professional auditing services. The contract services include auditing of the City of Austin's Comprehensive Annual Financial Report, federal and state single audit reports, and other special related services. The original scope of work includes single audit services for an estimated 1000 labor hours in order to provide sufficient coverage in this area.

The purpose of this action is to increase the number of single audit hours to accommodate an increase in the number of major grant programs required to be audited. Due to an increase in the size and number of grants within the City, additional major programs meet the minimum requirements to be audited as established by single audit standards. The additional audit work will require an increase of approximately 600 labor hours for the first extension option, 700 for the second extension option, and 800 for the third extension

options.